

# E-Rate Notice of Proposed Rulemaking

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# Introduction

- Universal Service is . . .
  - Access to telecommunications services to all regions of the nation at reasonable rates for:
    - those living in rural or high cost areas
    - low-income consumers
    - rural health care facilities
    - ***public and private schools and libraries***
  - The 1996 Act codified the Commission's historical commitment to universal service when it added section 254 to the Communications Act
    - The High Cost and Low Income programs existed prior to the 1996 Act
    - The Schools & Libraries (E-rate) and Rural Health Care programs were created in 1997, after the 1996 Act

# Background on E-rate

- Eligible schools and libraries apply for discounts on:
  - telecommunications services
  - internet access
  - internal connections
  - basic maintenance of internal connections
- The program is capped at \$2.25B per year
- The funding year for the program runs from July 1 – June 30

# Background on E-rate

- Discounts ranging from 20% to 90% on eligible services are available for elementary and secondary schools
  - Calculated based on eligibility for the National School Lunch Program
  - Libraries' discounts are based on the poverty level in the school district in which they are located
- Discounts for telecommunications and Internet access are funded first (priority one services)
  - Not all requests are funded each year
- Discounts vary between urban and rural areas
- Schools and libraries must seek competitive bids for services to be provided and must apply every year
- The program is administered by the Universal Service Administrative Company (USAC)

# Overview of the FY 2011 NPRM

- In the NPRM adopted on May 20<sup>th</sup>, the Commission took further steps toward ensuring universal access to affordable, high-quality broadband by proposing updates to the E-rate program
- The proposals further the Commission's National Broadband Plan goal of connecting schools and libraries to world-leading broadband by modernizing and improving the universal service fund
- The NPRM seeks comment on proposals that could be implemented in funding year 2011 (July 1, 2011 – June 30, 2012)

# Overview of the FY 2011 NPRM

- The proposals fall into four categories:
  - Streamlining the application process
  - Providing greater flexibility to select broadband services
  - Expanding the reach of broadband to the classroom
  - Creating a process for disposal of obsolete equipment

# Overview of the FY 2011 NPRM

- Streamlining the application process
  - Technology plans
  - Competitive bidding process
  - Application process streamlining
  - Discount matrix streamlining

# Overview of the FY 2011 NPRM

- Providing greater flexibility to select broadband services
  - Wireless services outside of school
  - Expanded access to low-cost fiber
  - Expanding access for residential schools that service unique populations
  - Targeting supported services for broadband
- Creating a process for disposal of obsolete equipment



# Overview of the FY 2011 NPRM

- Opportunity to comment
  - Comments: 30 days from Federal Register publication; reply comments 45 days from Federal Register publication
  - We look forward to receiving input from state and local organizations